



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

March 31, 2022

OFFICE OF
AIR AND RADIATION

Mr. Gregg Burnett
American Air Components
1112 Industrial Dr
Royse City, Texas 75189

Dear Mr. Gregg Burnett,

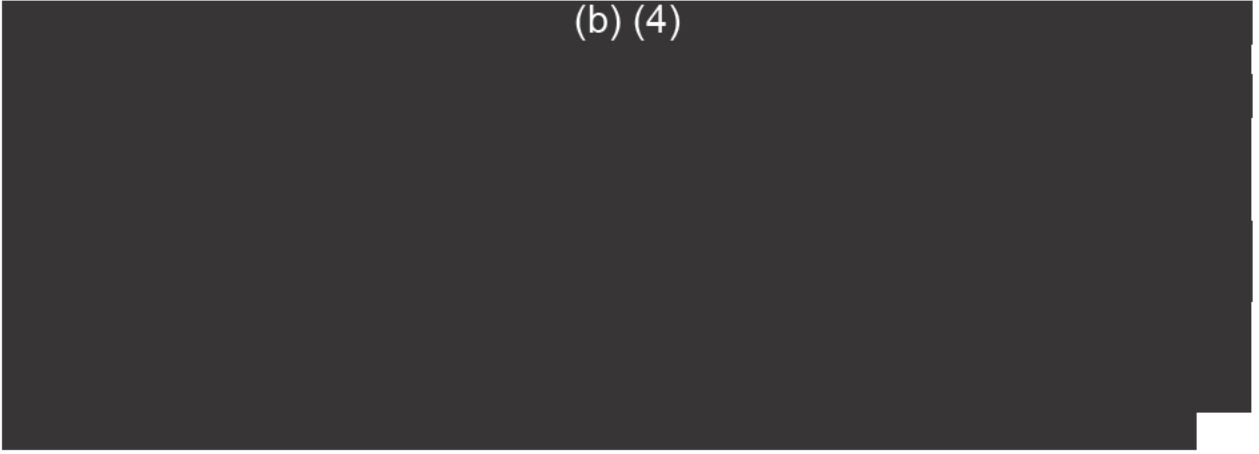
This letter is to inform you of EPA's intention, pursuant to 40 CFR § 84.35, to retire 81,617 metric tons of exchange value equivalent (MTEVe) of calendar year 2022 and 40,808.5 MTEVe of calendar year 2023 hydrofluorocarbon (HFC) consumption allowances that were allocated to your company through the set-aside pool. In accordance with 40 CFR § 84.35(b), the Agency is providing your company with notice of this intent. According to the relevant regulations, following provision of this notice, American Air Components (AAC) may not expend allowances subject to this notification.

Under 40 CFR 84.35(a), EPA may retire, revoke, or withhold the allocation of allowances or ban a company from receiving future allowance allocations. Additionally, EPA can apply a 20 to 200 percent premium when revoking or retiring allowances. Practices that warrant administrative consequences include importing HFCs without expending the requisite number of allowances. Additional discussion on EPA's administrative consequences provisions is included in 86 FR 55168.

EPA finalized a rule prohibiting, as of January 1, 2022, the import of HFCs without expenditure of a requisite amount of consumption allowances, with limited exceptions (see 40 CFR 84.5(b)(1)(i)). Shortly after issuing the final rule, EPA allocated allowances on October 1, 2021, for calendar year 2022; AAC was not allocated allowances (see 86 FR 55841). EPA has not approved a transfer of allowances to AAC pursuant to 40 CFR §84.19(a). EPA allocated allowances to AAC from the set-aside pool on March 31, 2022. Prior to March 31, 2022, AAC had no allowances.

Companies that are majority owned and/or controlled by the same individual(s) can expend each other's allowances without a transfer. AAC and Dust Free LP are both partially owned by Gregg Burnett. Dust Free LP was not allocated allowances on October 1, 2021 (see 86 FR 55841). EPA has not approved a transfer of allowances to Dust Free LP pursuant to 40 CFR §84.19(a). Dust Free LP was not issued allowances from the set-aside pool on March 31, 2022.

(b) (4)



EPA intends to retire a portion of AAC's calendar year 2022 and 2023 allowances allocated from the set-aside pool in accordance with this notice. AAC may provide information or data to EPA on why the administrative consequence should not be taken within 14 days of the date of this notice, or April 14, 2022. If EPA does not receive a response within 14 days, the administrative consequences will be effective on April 30, 2022. Please note that applying an administrative consequence to retire allowances does not, in any way, limit the ability of the United States to exercise any other authority to bring an enforcement action under any applicable law or regulation. Further, applying administrative consequences at this time in this manner also does not impede the Agency's ability to bring future administrative consequences if warranted by additional facts or circumstances coming to light.

If you have questions about the content of this letter or if you intend to provide information or data to EPA on why the administrative consequence should not be taken, please contact Cheri Neal at neal.cheri@epa.gov.

Sincerely,



Cynthia A. Newberg
Director, Stratospheric Protection Division